



February 12, 2014

Item No. 10

**AUTHORIZATION TO ENTER INTO A TWO (2) YEAR CONTRACT
WITH TWO (2) ONE-YEAR OPTIONS WITH WAREHOUSE DIRECT
FOR SUPPLY AND DELIVERY OF TONER CARTRIDGES AND SUPPLIES**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to enter into a contract with Warehouse Direct for the supply and delivery of toner cartridges and supplies in an amount not-to-exceed \$180,000 for a two (2) year base term, with two (2) one-year options in an amount not-to-exceed \$90,000 per year, which may be exercised at the discretion of the CEO or his designee, subject to funding availability and satisfactory contract performance, for a total aggregate contract amount not-to-exceed \$360,000.00.

The Executive Vice President ("EVP") of Finance, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the request to approve the entry into a two-year base term contract with two (2) one-year options and recommend the approval of this item accordingly.

CORPORATE GOAL

Streamline operations to make CHA more customer-focused and efficient.

By creating a centralized toner ordering process for the entire Chicago Housing Authority ("CHA"), departments will no longer need multiple open purchase orders to procure toner cartridges. The Information Technology Services ("ITS") Department will be responsible for ordering and installing toner cartridges and supplies for the Authority.

FUNDING

General Fund, Fiscal Year 2014/2015

CONTRACT SUMMARY

Vendor: Warehouse Direct
1601 W. Algonquin
Mount Prospect, IL 60056

Contract Type: Contract

Base Contract Term: 3/1/14 to 2/29/16

Option Period:

1st Option Term: 3/1/16 to 2/28/17

2nd Option Term: 3/1/17 to 2/28/18

Total Aggregate Contract Amount:

GENERAL BACKGROUND /EXPLANATION

Base Contract Period: 2 Years

Base Contract Amount: \$180,000.00 (NTE)

Two (2) one-year options

1st Option Period Amount: \$90,000.00 (NTE)

2nd Option Period Amount: \$90,000.00 (NTE)

\$360,000.00 (NTE)

In September, 2013 the Chicago Housing Authority initiated an Authority-wide solicitation for the supply and inside delivery of toner cartridges and supplies. The basis for strategic sourcing was due to the desire to secure these goods at the best price utilizing the volume created by the needs of the Authority as a whole. The pricing received from this process was deemed to be advantageous in the area of cost-savings as well as contract administration.

The CHA advertised its Invitation for Bid #13-01211 (the "IFB") on September 20, 2013 to procure toner cartridges and supplies, and the CHA received four (4) responses. Two (2) vendors' submissions were deemed non-responsive and the remaining vendors were evaluated based on their ability to meet the CHA's requirements.

Upon review of the bids received it was determined that Warehouse Direct was the lowest, responsive and responsible bidder for toner cartridges and supplies for the Authority-wide initiative.

The Board action recommended in this item complies with all respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Senior Vice President concurs with the recommendation to enter into a contract with Warehouse Direct for the supply and delivery of toner cartridges and supplies, in an amount not-to-exceed \$180,000 for a base term of two (2) years, with two (2) additional one-year options which may be exercised at the discretion of the CEO or his designee, subject to funding availability and satisfactory contract performance, in an amount not-to-exceed \$90,000 for each option term, for a total aggregate contract amount not-to-exceed \$360,000.00.

The CEO/President recommends the approval to enter into a contract with Warehouse Direct for the supply and delivery of toner cartridges and supplies, in an amount not-to-exceed \$180,000 for a base term of two (2) years, with two (2) additional one-year options which may be exercised at the discretion of the CEO or his designee, subject to funding availability and satisfactory contract performance, in an amount not-to-exceed \$90,000 for each option term, for a total aggregate contract amount not-to-exceed \$360,000.00.

RESOLUTION NO. 2014-CHA-23

WHEREAS, the Board of Commissioners has reviewed the Board Letter February 12, 2014 entitled "AUTHORIZATION TO ENTER INTO A TWO (2) YEAR CONTRACT WITH TWO (2) ONE-YEAR OPTIONS WITH WAREHOUSE DIRECT FOR SUPPLY AND DELIVERY OF TONER CARTRIDGES AND SUPPLIES".

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Warehouse Direct for the supply and delivery of toner cartridges and supplies, in an amount not-to-exceed \$180,000 for a base term of two (2) years, with two (2) additional one-year options which may be exercised at the discretion of the CEO or his designee, subject to funding availability and satisfactory contract performance, in an amount not-to-exceed \$90,000 for each option term, for a total aggregate contract amount not-to-exceed \$360,000.00.

